## **REMARKS/ARGUMENTS**

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1-18, 20 and 21 are pending in the present application. Claim 19 has been canceled without prejudice or disclaimer, and Claims 1-3, 6, 10, 11, 14, 17, 18, 20 and 21 have been amended by the present amendment. These amended claims find support at least in Figures 1 and 24, for example. No new matter has been added.

In the outstanding Office Action, Claims 19 and 20 were rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement; Claims 1-18 and 21 were rejected under 35 U.S.C. § 103(a) as unpatentable over <u>Kambayashi et al.</u> (U.S. Patent 6,477,649, herein "<u>Kambayashi</u>"); and the Examiner indicated that Claims 19 and 20 will be objected to under 37 C.F.R. § 1.75 as being a substantial duplicate thereof.

First, in the previous Amendment filed November 8, 2004, Applicant has requested the Examiner to acknowledge the claim to priority and the receipt of the priority document, and submitted copies of the Official Filing Receipt, and filing receipt indicating its filing. However, it appears that the Examiner has yet to acknowledge the claim to priority and the receipt of the priority document. Accordingly, it is again respectfully requested that the Examiner acknowledge the claim to priority and the receipt of the priority document.

In response to the Examiner's indication that Claims 19 and 20 will be objected to under 37 C.F.R. § 1.75 as being a substantial duplicate thereof, Applicant has herein canceled Claim 19. Accordingly, no objection on that basis is anticipated.

With regard to the rejection of Claims 19 and 20 under 35 U.S.C. § 112, first paragraph, Applicant notes that the subject matter "required to decrypt encrypted contents information" recited in Claim 20 is associated with the second key information, as clarified

by the present amendment. Accordingly, it is respectfully requested this rejection be withdrawn.

In response to the rejection of Claims 1-18 and 21 under 35 U.S.C. § 103(a) as unpatentable over <u>Kambayashi</u>, Applicant respectfully traverses this rejection as discussed next.

Claim 1 has been amended to clarify the features recited therein, and now recites, in part:

"... periodically updating the contract information of the first control information in the storage device to the contract information contained in the second control information:

sending back a receipt acknowledgement from the receiver via the bi-directional communications channel when the contract information of the first control information is updated;

receiving encrypted first key information which is independent from the receiver and broadcasted to decrypt the contents information;

decrypting the encrypted first key information to obtain second key information;

storing the second key information in the storage device:

determining whether the stored second key information is valid based on the contract information; and decrypting the contents information based on the second key information that has been determined to be valid."

That is, in the method of amended Claim 1, encrypted first key information is decrypted to second key information. Then, it is determined whether the second key information is valid based on the contract information. The contents information is decrypted based on the valid second key information.

Applicant respectfully submits that <u>Kambayashi</u> does not disclose the above-noted claimed features of amended Claim 1.

Kambayashi describes that if the decision section determines that the contract is valid, the contents decoding key contained in the contract information is output to an information usage device, and if the contract is invalid, the contract information is sent to an updated information generation section to arrange information necessary for updating the contract, and updated information for updating the contract information is generated. In other words, Kambayashi determines whether the contract is valid or invalid, and the contract is updated. However, Kambayashi does not describe that the contract is updated periodically. Kambayashi, therefore, fails to disclose or suggest the features "... periodically updating the contract information of the first control information in the storage device to the contract information contained in the second control information ..." as recited in amended Claim 1.

Further, Applicant respectfully submits that <u>Kambayashi</u> fails to disclose or suggest the features "... decrypting the encrypted first key information to obtain second key information ... storing the second key information in the storage device ... determining whether the stored second key information is valid based on the contract information ... decrypting the contents information based on the second key information that has been determined to be valid" as recited in amended Claim 1.

Other independent claims include subject matter substantially similar to what is recited in amended Claim 1 to the extent discussed above.

Accordingly, it is respectfully submitted that independent Claims 1-3, 6, 9-11, 14, 17, 18, 20 and 21, and the claims depending therefrom, patentably distinguish over <u>Kambayashi</u>.

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As no other issues are pending in this application, it is respectfully submitted that the present application is now in condition for allowance, and it is hereby respectfully requested that this case be passed to issue.

Respectfully submitted,

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